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KINGMAN, ARIZONA LLC

March 26, 2012

Gary Pierce
Arizona Corporation Commission
1200 W. Washington - 2nd Floor
Phoenix, AZ 85007

Dear Commissioner Pierce:

At the advice of Shari Farrington, I am writing you this letter. Last month I had the opportunity to visit with Congressman Trent Franks about the economy and where he saw things going from here. I took the opportunity to tell him about our Division up here in Kingman and told him about the main issue we have with power. That issue is that we cannot get a competitive power rate that would allow us to add a Melt Shop and expand our existing business. With this expansion, we could have the ability to add another 100 to 150 more employees. The economic impact that would have on the local economy would be huge. We would be talking an additional \$9.75MM in payroll alone that would be spent in the local area. In addition, there would be a number of satellite industries (i.e.) oxygen plant, scrap dealers, refractory suppliers, etc. which would add infrastructure and jobs to the area.

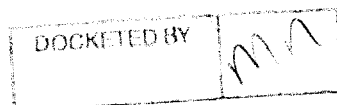
Since my visit with Congressman Franks, the Arizona Corporation Commission has implemented a new DSM (Demand Side Management) surcharge on our power. The net effect of this new surcharge to our business is over \$110K/year in new power costs. We received no notice that this was coming and to my knowledge, we received no opportunity to voice our opinion before this charge was implemented. I find this to be unbelievable. We have such a great opportunity up here in Northwest Arizona to build an area where industry can thrive. We are in a prime geographical location next to a major interstate highway as well as a major railroad line. We have access to plentiful supplies of gas and water. If we just had decent power rates our area could become an enticing place for not only our company but many different types of industries. I should think that the State of Arizona would take advantage of this economy and aggressively pursue industry located in California and convince them to come here. At the same time, offer them incentives (i.e.) lower power rates, lower taxes, etc. The initial lower revenues by the State would be far outweighed by the economic impact of having large industry locate here. As things are now, Arizona is not encouraging new businesses to come into the State but rather it is chasing the existing ones away. **We (Nucor) need your help!** If there is a time that I can meet with you personally about this topic, please let me know. I would welcome the opportunity.

Sincerely,

Doug Adams
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